

Exhibit 28

Transcript of the Testimony of
Ray Perryman

Date:

June 27, 2018

Case:

STATE OF TEXAS vs UNITED STATES of AMERICA

Ray Perryman

June 27, 2018

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION

STATE OF TEXAS,)
Plaintiffs,) Case No.
vs.) 1:18-cv-00068
UNITED STATES OF AMERICA, et al.,)
Defendants,)
and)
KARLA PEREZ, et al.,)
Defendant-Intervenors.)

ORAL DEPOSITION OF
RAY PERRYMAN

Wednesday, June 27, 2018

Oral deposition of RAY PERRYMAN, produced as
a witness at the instance of the Plaintiff States, and
duly sworn, was taken in the above-styled and numbered
cause on the 27th day of June, 2018, from 2:00 p.m. to
4:44 p.m., before Deborah L. Endler, Notary Public in
and for the State of Texas, reported by stenographic
means, at the offices of the Attorney General, 300
West 15th Street, 11th Floor, Austin, Texas 78701,

Ray Perryman

June 27, 2018

Page 2

1 pursuant to the Federal Rules of Civil Procedure and
2 the provisions stated on the record or attached
3 hereto.
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Ray Perryman

June 27, 2018

Page 3

A P P E A R A N C E S

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(continued)

Ray Perryman

June 27, 2018

Page 4

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Ray Perryman

June 27, 2018

Page 28

1 different way. If there are fewer workers in the
2 workforce, that can potentially increase wages?

3 A. It can. That's an unproductive thing to
4 have happen in society, but that can be one
5 consequence.

6 Q. Okay. Now, if we go down, it says retirees
7 have also been rehired? Do you see that?

8 A. Yes, sir.

9 Q. So that's saying in response to the labor
10 shortage, retirees have also been rehired; right?

11 A. I talk about several things. That's one of
12 them, yes, sir.

13 Q. Those retirees would have been outside of
14 the labor force participation prior to being rehired;
15 correct?

16 A. That's correct.

17 Q. So a labor shortage could potentially
18 increase labor force participation?

19 A. Well, depending on how people respond to
20 it, it can. What tends to happen is you have a trend
21 going on. It's going to be socially going up or going
22 down. And then depending on the economic conditions
23 you get fluctuations in that month to month. The
24 trend has been going down for a long time.

25 Q. Okay.

Ray Perryman

June 27, 2018
Page 42

1 benefits can have a multiplier effect. Can costs have
2 a multiplier effect?

3 A. Oh, of course.

4 Q. How so?

5 A. Similar thing. If you are spending money
6 on health care, or whatever the case may be, if you
7 were not spending that money on that, you would spend
8 it on something else that would have a productive use
9 in society.

10 Q. Okay. So when you do the net benefits,
11 let's first talk about the direct net benefits, and I
12 understand that you netted out the costs; right?

13 A. Correct.

14 Q. And those would be the direct costs?

15 A. Right.

16 Q. Then under the total net benefits, which
17 include the multiplier effects, you netted out the
18 multiplier benefits and the multiplier costs?

19 A. Correct.

20 Q. All right. Thank you.

21 A. Yes, sir.

22 Q. If you go to page 17, please.

23 A. 17. Yes, sir.

24 Q. So in my mind this first paragraph gives
25 kind of a good summary of what you have done in this

Ray Perryman

June 27, 2018

Page 46

1 I've done a lot of work over the years in the area of
2 hunger and the food banks, food pantries, that sort of
3 thing, that provide that service to people
4 irrespective of immigration status, do get some
5 support from the state, so that might be one example.

6 Q. Okay. Anything else you can think of?

7 A. I'm sure there are others. That's one that
8 comes to mind.

9 Q. What about law enforcement? How does the
10 state incur a cost providing law enforcement services
11 related to undocumented workers?

12 MR. HERRERA: Objection, vague.

13 A. Well, generally we all benefit from the
14 availability. If you are in an area, you benefit from
15 the availability of law enforcement. But more
16 specifically, like any large group of people you
17 probably going to have some of these folks do some
18 things they shouldn't do and end up in the law
19 enforcement system which involves potentially court
20 costs, prosecutorial costs, costs of incarcerating
21 people, things of that nature.

22 Q. On this sentence on page 17 when you say
23 "costs involved with undocumented workers," as we
24 talked about earlier, that phrase "undocumented
25 workers" includes the DACA population?

Ray Perryman

June 27, 2018

Page 47

1 A. Again, it more than likely does because as
2 I understand it that's technically how they are still
3 classified.

4 Q. Okay. Let's move on. Go to page 19,
5 please.

6 A. Yes, sir.

7 Q. The bottom paragraph on that page.

8 A. Yes, sir.

9 Q. So, again, just to reiterate, you say
10 "There are costs associated with the undocumented
11 population which accrue to governmental entities such
12 as education, social services and health care." You
13 still agree with that statement?

14 A. Yes, sir.

15 Q. And when you say undocumented population,
16 that includes DACA recipients?

17 A. I believe it would, yes.

18 Q. And then you say "The Perryman Group
19 measured these costs based on the best available
20 information from various sources." When I read that,
21 to me that sounds like it's an estimate; is that fair
22 to say?

23 A. Well, certainly. We don't know exactly a
24 lot of these. There is not exact measures of
25 anything. We don't know the exact amount.

Ray Perryman

June 27, 2018

Page 53

1 break it down then. Do you know how you calculated
2 the \$3 billion estimated expense to the federal
3 government caused by the undocumented population?

4 A. Not without working back through all the
5 information from the time. I'm sorry.

6 Q. What about the \$3.1 billion to the State of
7 Texas?

8 A. I would have to give the same answer there.

9 Q. And same for the \$6.7 billion for local
10 entities?

11 A. Yes.

12 Q. So this \$3.1 billion to the State of Texas
13 is the cost you estimated Texas incurred because of
14 its provision of services to the undocumented
15 population in Texas?

16 A. Correct.

17 Q. And that undocumented population included
18 the DACA population?

19 A. I believe it would have, yes.

20 Q. All right.

21 A. As they are a percentage of it, and I would
22 have to probably use fewer services, but yes.

23 Q. All right. And you said fewer services but
24 you are not saying that the DACA population used none
25 of these services?

Ray Perryman

June 27, 2018

Page 59

1 Q. I understand.

2 A. But the overall impact on the state would
3 include multiplier effects which have already been
4 netted out because they have been netted out when we
5 did the first part of this. So the taxes are in this
6 net benefits. Yes, it would be a larger number.

7 Q. So if you looked at, and again, I
8 understand that you do a subtraction equation to get
9 the net benefits, but if we are just looking at what
10 goes into that equation, you have the multiplied
11 benefits and you have the multiplied costs, and in
12 your estimation the figure that you would use to
13 calculate the multiplied costs to the State of Texas
14 would be roughly \$9 billion?

15 MR. HERRERA: Objection, asked and
16 answered.

17 A. Approximately. If we can go back to page
18 21 for a moment, I might say something that might
19 clarify this.

20 Q. Of course.

21 A. Another way you could have presented this
22 table would have been the direct tax receipts, the
23 indirect and induced gross tax receipts, which would
24 be that bigger number than 16.3 for federal, for
25 example, okay. Then added up that total, which would

Ray Perryman

June 27, 2018

Page 67

1 it, but I think it was fine.

2 Q. Now let's look at paragraph 39. In here
3 you are talking about the benefits to the United
4 States and Texas because of the business activity
5 associated with DACA recipients?

6 A. Correct.

7 Q. Now, how did you calculate those benefits?

8 A. The process was very similar to the one in
9 the report that you and I just went through at some
10 length. Basically we took that same basic model and
11 made some adjustments to it. One adjustment was it
12 was a couple years later so we had to do some price
13 adjustments.

14 But beyond that, we looked at the relative
15 wages of the DACA population versus the non-DACA and
16 made some of those type of adjustments. But the
17 modeling structure process was the same as the one
18 that we used in the study that you referenced earlier.

19 (Deposition Exhibit 8 was marked.)

20 Q. All right, I'm going to show you Exhibit 8.
21 This is from the production your counsel made to us --

22 A. Yes, sir.

23 Q. -- regarding your work file.

24 A. Yes, sir.

25 Q. These are the numbers that are ultimately

Ray Perryman

June 27, 2018

Page 69

1 A. Yes, sir.

2 Q. Okay. So that's talking about the direct
3 benefits; right?

4 A. Correct.

5 Q. And then if we look on Exhibit 8, we see
6 the total benefits for Texas, and I assume that's the
7 multiplied benefits?

8 A. Multiplied benefits.

9 Q. Okay.

10 A. And they are all nets as well.

11 Q. How do we know that they are nets?

12 A. Because that's how I set up the system.
13 It's exactly the same modeling structure that was used
14 in the prior report.

15 Q. Okay. So when you set up the system, it
16 did, in fact, calculate the projected costs incurred
17 by Texas because of DACA recipients in the state?

18 A. Yes.

19 Q. Is that information that you can provide to
20 your counsel?

21 A. By cost, you're talking about the net cost
22 and benefits to the government as opposed to the --

23 Q. Yes, sir. So, for example, if we look at
24 Exhibit 3 --

25 A. Yes.

Ray Perryman

June 27, 2018

Page 76

1 they all stayed, I don't think the number would
2 change. But clearly to the extent people are
3 classified as DACA, persons who are in the high school
4 at this point in time, their education is being
5 funded. But it's not because they are in DACA, it's
6 because they are here.

7 Q. And is being funded in part by the State of
8 Texas?

9 A. Correct, yes.

10 Q. And I jumped ahead of myself there. I
11 meant to ask you about health care.

12 A. Okay.

13 Q. But same question as a lead-in, you don't
14 dispute that the State of Texas does indeed incur a
15 cost to provide health care to DACA recipients?

16 MR. HERRERA: Objection, asked and
17 answered.

18 A. Again, the only clarification I would give
19 is, again, for the undocumented population, since they
20 use it, a little bit less for the DACA based
21 population, but nonetheless I assume there would be
22 some people in the DACA population who are likely to
23 have some type of care that is reimbursed in some way
24 by the state.

25 Q. And those types of care would be things

Ray Perryman

June 27, 2018

Page 97

1 MR. HERRERA: Objection, calls for
2 speculation.

3 A. Again, there is no way to know with
4 certainty. That would not be a shocking thing to have
5 happen, that you occasionally had something like that
6 occur.

7 Q. Do you think it's likely to happen?

8 MR. HERRERA: Objection, calls for
9 speculation.

10 A. Again, I'm not sure how else I can answer
11 it. It's certainly a theoretical possibility that it
12 could occur.

13 Q. Do you know from 2012 to present whether an
14 employer has hired a DACA recipient for a job that a
15 U.S. citizen also applied for?

16 A. I don't know one way or the other. It very
17 well could have happened, but I don't know.

18 Q. And going forward into the future, do you
19 know whether it is likely to happen again that an
20 employer will hire a DACA recipient to fill a job that
21 a U.S. citizen has also applied for?

22 MR. HERRERA: Objection, calls for
23 speculation and mischaracterizes the witness's
24 testimony.

25 A. Again, I have no way of knowing that. It's

Ray Perryman

June 27, 2018

Page 99

1 A. Oh, no, sir, that wasn't my role at all.

2 Q. All right. Then "not considering the
3 likely market response to removing the DACA
4 recipients," that was one of your criticisms of his
5 work?

6 A. Yes.

7 Q. And then third was "not accounting for the
8 net benefits when all costs (including education) are
9 considered in a dynamic context;" right?

10 A. Yes, sir.

11 Q. But again, you don't dispute that there are
12 educational costs to the State of Texas incurred by
13 the state because of DACA recipients?

14 A. Subject to all qualifications I gave before
15 about net and gross, wiper blades and cars, that sort
16 of thing, yes, sir.

17 Q. Okay. How many times have you been
18 retained as an expert witness by a party in
19 litigation?

20 A. It would be a rough estimate. I would say
21 300, 400, something like that.

22 Q. Over about how many years?

23 A. Almost 40.

24 Q. And I believe you are charging, if you go
25 back to page 1 of your Declaration?

Ray Perryman

June 27, 2018

Page 110

IN THE UNITED STATES DISTRICT COURT
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Defendants,)
and)
KARLA PEREZ, et al.,)
Defendant-Intervenors.)

REPORTER'S CERTIFICATION
DEPOSITION OF RAY PERRYMAN
June 27, 2018

I, Deborah Endler, Shorthand Reporter in and
for the State of Texas, do hereby certify that the
foregoing deposition is a full, true and correct
transcript:

That the foregoing deposition of RAY
PERRYMAN, the Witness, hereinbefore named was at the
time named, taken by me in stenograph on June 27,
2018, the said Witness having been by me first duly
cautioned and sworn to tell the truth, the whole truth
and nothing but the truth and the same were thereafter
reduced to typewriting by me or under my direction.

() That by agreement of counsel, a reading
condensed copy of the deposition transcript along with
the full-sized original Changes and Signature Sheet
has been sent to _____ on
_____ for review and signature within 30 days

Ray Perryman

June 27, 2018

Page 111

1 and if any corrections returned are attached hereto.

2 () That the Witness shall have thirty (30)
3 days for review and signature of the original
4 transcript and if any corrections returned are
5 attached hereto.

6 () That the signed transcript () was ()
7 was not received from the Witness within 30 days.

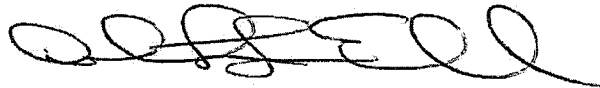
8 That the amount of time used by each party at
9 the deposition is as follows:

10 Mr. Disher - 2 hours, 44 minutes

11 That before the completion of the deposition,
12 the Deponent, and/or the Plaintiff/Defendant ____ did
13 ____ did not request to review the transcript.

14 I further certify that I am neither counsel
15 for, related to, nor employed by any of the parties or
16 attorneys in this action in which this proceeding was
17 taken, and further that I am not financially or
18 otherwise interested in the outcome of the action.

19 WITNESS MY HAND, this the 28th day of June,
20 2018.



21
22 DEBORAH L. ENDLER, Reporter
23 EXPIRATION DATE:
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